

NATURAL GAS PRODUCTION LEASE AGREEMENT

This Natural Gas Production Lease Agreement ("Agreement") entered into this 24th day of July, 2009, between COLUMBIA GAS TRANSMISSION, LLC, with an address of 1700 MacCorkle Avenue SE, Post Office Box 1273, Charleston, WV 25325-1273 (collectively with all successors in interest regardless of whether there are more than one in number at any given time, "Lessor"), and NiSource Energy Ventures, LLC, with an address of 1700 MacCorkle Avenue SE, Post Office Box 1273, Charleston, WV 25325-1273 (hereafter "Lessee").

WITNESSETH:

WHEREAS, Lessor is the owner of certain fee properties and oil and gas interests in Marshall County West Virginia, as more fully described on Exhibit A attached hereto (collectively, the "Leasehold"); and

WHEREAS, Lessor and Lessee have agreed to enter into this Lease Agreement for underground natural gas production by Lessee for all strata under the Leasehold, excluding the formation(s) currently used by Lessor for storage purposes, and subject to the terms and conditions hereinto contained;

NOW THEREFORE, in consideration, sum of Ten Dollars (\$10.00) and other good and valuable consideration of the mutual covenants contained herein the sufficiency of which is hereby acknowledged, Lessor and Lessee agree as follows:

1. PRODUCTION LEASING CLAUSE. Lessor hereby grants, demises, leases and lets exclusively unto Lessee, its successors and assigns, all of the oil and gas and their constituents, whether hydrocarbon or non-hydrocarbon, from any and all strata underlying the Leasehold, together with such exclusive rights as may be necessary or convenient for Lessee, at its election, to produce, measure, and market production underlying the Leasehold, so long as such activities, in Lessor's sole determination, do not interfere with Lessor's gas storage operations, either currently existing or hereinafter developed, if any, using methods and techniques which are not restricted to current technology, including the right to conduct geophysical and other exploratory tests; to maintain, operate, cease to operate, plug, abandon, and remove wells; to use or install roads, electric power and telecommunications facilities, and to construct pipelines with appurtenant facilities, including data acquisition and transmission, compression and collection facilities for use in the production and transportation of products from the Leasehold and from neighboring lands across the Leasehold, and such rights shall survive the term of this Agreement for so long thereafter as operations are continued; to use oil, gas, and non-domestic water sources, free of costs and to operate, maintain, repair, and remove material and equipment.

OPERATING RIGHTS. No Operations shall be conducted on the surface of the leasehold without the prior written consent of the Lessor.

2. PAYMENTS TO LESSOR. Lessee covenants and agrees to pay to Lessor, proportionate to Lessor's percentage of ownership, as follows:

(a) Royalty for Production Wells.

(1) Oil Royalty: Lessee will deliver to the credit of the owner(s) of the oil, free of cost, in the pipeline to which Lessee may connect its wells, a royalty equal to a one-eighth (1/8) part of all oil produced and saved from the Leasehold.

(2) Gas Royalty: With the exception of gas removed from a stratum in which Lessor is then storing gas, Lessee shall pay to the Lessor of the gas its proportionate part of one-eighth (1/8) of the gross proceeds received by Lessee from a third party purchaser for all gas and the constituents thereof produced and marketed from the Leasehold. It is expressly stipulated that the royalty provided for in this paragraph (a)(2) shall be delivered to the Lessor free of severance taxes and of any and all post-production costs, including, but not limited to, gathering, transportation, compression, and dehydration, or;

(b) Shut-in. In the event that production of oil, gas, or their constituents is interrupted and not marketed for a period of six months, and there is no producing well on the Leasehold, Lessee shall thereafter, provide notice to Lessor of the Shut-in and reason therefore and, upon agreement of Lessor until such time as production is re-established and shall pay as Shut-in Royalty the amount of \$5000 per well per year until terminated in writing to the extent of statutory limitation of Shut-in which payment shall serve to hold the Lease to the same extent as the payment of Royalties. During Shut-in, Lessee shall have the right to rework, stimulate, offset, or deepen any well on the Leasehold in an effort to re-establish production. In the event that the production from the only producing well on the Leasehold is interrupted for a period of less than six months, this Lease shall remain in full force and effect without payment of Royalty or Shut-in Royalty.

(c) Gas Measurement. Lessee shall have the right to commingle gas produced from said land with other gas and in such event the royalty shall be computed upon an appropriate fraction of the commingled gas. Lessee shall meter all gas produced from the Leasehold and such meter readings together with the results from open flow tests made at least once a year shall be the basis for computation of the amounts of gas for royalty purposes.

3. UNITIZATION. Lessor hereby grants Lessee the right to pool, unitize, or combine all or parts of the Leasehold with other lands, whether contiguous or not contiguous, leased or unleased, whether owned by Lessee or by others, at any time before or after drilling to create drilling or production units either by contract right or pursuant to governmental authorization. Lessee is granted the right to change the size, shape, and conditions of operation or payment of any unit so created with Lessor's prior written consent. Lessor agrees to accept and receive out of the production or the net proceeds realized from the production of such unit, such proportional share of the royalty from

each unit well as the number of Leasehold acres included in the unit bears to the total number of acres in the unit. In all other respects, drilling, operations in preparation for drilling, production, or payment of royalty on production from the Leasehold or acreage rental shall have the same effect upon the terms of this Lease as if a well within the unit were located on the Leasehold.

4. EXPLORATION AND DEVELOPMENT OF OTHER FORMATIONS; PROTECTION OF STORAGE ZONE. Subsequent exploration and development of oil and gas formations underlying the Leasehold shall be subservient to Columbia's operation on the Leasehold. Lessee hereby covenants and agrees, for Lessee and those holding under Lessee: that Lessee shall except the Storage Zone from all future exploration and development of oil and gas underlying the lands that are subject to this Lease; that Lessee and those holding under Lessee shall, in conducting operations for the exploration and development of oil and gas underlying the land that is subject to this Lease, take such measures as Columbia determines necessary to protect the Storage Zone and the natural gas storage field; that Lessee and those holding under Lessee shall not commit any act which would result in the escape or removal of gas from the Storage Zone; that Lessee shall give full protection to Columbia's rights hereunder in any and all future subleases and other transactions involving the lands that are subject to this Lease; and that if Lessee is granted surface rights, then Columbia shall be given notice of every application for a permit to drill or to perform any other work for which a permit is required involving a well on the land that is subject to this Lease, upon the filing thereof, which notice shall be given to Columbia by certified mail, return receipt requested, a true and complete copy of the application addressed to:

Storage Department
Columbia Gas Transmission, LLC
P.O. Box 1273
Charleston WV 25325-1273

5. FACILITIES SETBACK; PROTECTION OF FACILITIES. Lessor shall not place or permit to be placed any temporary or permanent structure or obstruction of any kind, including but not limited to buildings, mobile homes, trees, telephone poles or wires, electric poles or wires, water or sewer lines, meters or utility boxes, paved roads or passage ways or the like, within 100 feet of any production well, unless the same will not unreasonably impede Lessee's operations.

6. TERM. The term of this Lease shall be for a period of five (5) years from the date of execution, and for so long thereafter as prescribed payments are made, or for as long thereafter as operations are conducted on the Leasehold in search of or for production of oil, gas, or their constituents, or for as long as a well capable of production is located on the Leasehold, or for as long as extended by provision herein, or for as long as the Leasehold is used for the underground storage of gas, or for the protection of stored gas. If after the primary term the last producing well on the Leasehold is plugged and abandoned, the Leasehold will remain under lease for an additional period of one year from the date of plugging and abandonment.

7. **SUCCESSORS.** All rights and duties under this Lease benefit and bind Lessor and Lessee and their heirs, successors and assigns.

8. **COUNTERPARTS.** This instrument may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

WITNESS the following signature(s) and seal(s).

COLUMBIA GAS TRANSMISSION, LLC:

JAN PEST
MARSHALL County 01:41:54 PM
Instrument No 1272463
Date Recorded 07/28/2009
Document Type O&G
Book-Page 683-557
Recording Fee \$6.00
Additional \$6.00



By: Sheree L. Parks Downey
Title: Director, Asset Management

NISOURCE ENERGY VENTURES, LLC

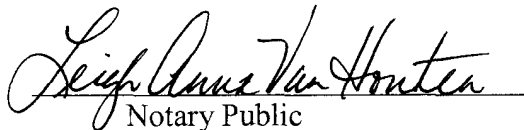


By: W. Colin Harper
Title: Senior Vice President, Business Development

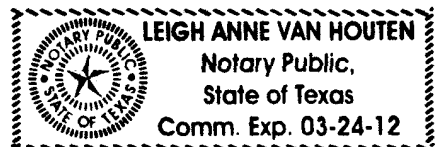
STATE OF Texas,

COUNTY OF Harris,

The foregoing instrument was acknowledged before me this 27th day of July, 2009 by W. Colin Harper, who acknowledged himself to be the Senior Vice President, Business Development, of NiSource Energy Ventures, LLC, a Delaware corporation, on behalf of the corporation.

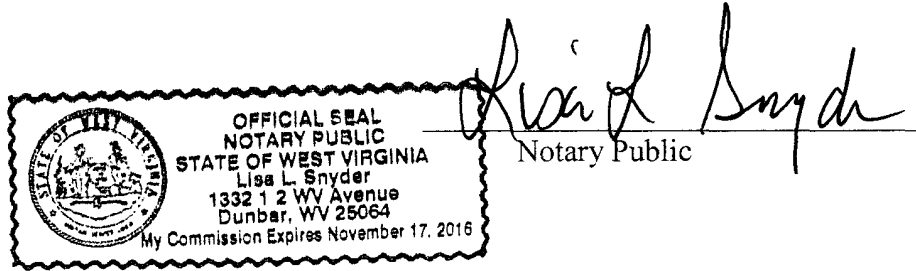

Notary Public

My commission expires: 03-24-12.



STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA,

The foregoing instrument was acknowledged before me this 24 day of July, 2009 by Sheree L. Parks Downey, who acknowledged herself to be the Director, Asset Management of Columbia Gas Transmission, LLC, a Delaware corporation, on behalf of the corporation.



My commission expires: 11-17-2016.

Prepared by:
Beth R. Minear
Legal Department
NiSource Corporate Services Co.
P.O. Box 1273
Charleston, WV 25325
July 13, 2009

Completed by: _____

Exhibit A

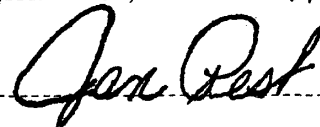
Grantor(s)	File No.	Date	Deed Book/ Page	Acres	Tax Map/Parcel	District
William T. Phillips, et ux.	3021019-000	March 11, 1960	344/191	97.34	District 15 Map 11, Parcel 14	Webster
Ralph and Alice Blackwell	3196438-000	January 27, 1996	582/351	3.86		Sand Hill
Jennie Alley Sampson, widow	3029053-000	November 25, 1956	319/165	0.7245	Part of District 12, Map 14, Parcel 12	Sand Hill
Martha Jane Knight Milliken, et vir.	3029053-000	January 23, 1957	319/476	0.7689	Part of District 12, Map 14, Parcel 12	Sand Hill
R.L. and Nellie Harsh Clutter	3031433-000	April 11, 1962	356/483	0.75	District 12, Map 14, Parcel 10	Sand Hill
Carl B. and Betty Knight, et al.	3031398-000	March 9, 1962	355/646	0.499	District 1, Map 14, Parcel 11	Sand Hill
Carl B. and Betty Knight, et al.	3029053-000	January 23, 1957	319/479	0.5775	Part of District 12, Map 14, Parcel 12	Sand Hill
Hazel Alley and L. Guy Gittings, et al.	3029053-000	November 25, 1956	319/149	3.9029	Part of District 12, Map 14, Parcel 12	Sand Hill
Hazel Alley and L. Guy Gittings, et al.	3029053-000	November 28, 1956, * June 1, 1957	319/156 * 330/349	7.1554	Part of District 12, Map 14, Parcel 12	Sand Hill
Frances G. Ingram, single	3030011-000	August 18, 1958	338/349	95.64	District 15, Map 11, Parcels 15, 16, 16.1 and 17	Webster
Columbia Gas Transmission Corporation	3022395-000	August 1, 1978	474/499	4.51	District 12, Map 13, Parcel 13.1	Sand Hill
Columbia Gas Transmission Corporation	3022395-000	July 12, 1999	609/41	87.79	District 12, Map 13, Parcels 13 & 13.2	Sand Hill
James D. Riggle, et ux	3029841-000	August 15, 1958	332/177	0.0138	District 12, Map 5, Parcel 13.1	Sand Hill
			Total:	303.532		

*Corrective Deed

STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, JAN PEST, Clerk of the County Commission of said County, do hereby certify that the annexed writing, bearing date on the 26th day of July 2009, was presented for and by me, admitted to record in my office upon the above certificate as to the parties therein named this 28th day of July 2009 at 1:41 o'clock P.M.

TESTE:



Clerk.